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EASTERN EUROPEAN INTELLIGENCER

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5 Oct. 1972Joint Companies In Hungary

In an effort to improve the usefulness of joint ventures, Budapest will soon allow for the first time the formation in Hungary of joint companies with Western partners. Janos Fekete, vice president of the Hungarian National Bank and head of the Hungarian claims' negotiation team which is currently in Washington, said that new regulations will soon spell out the terms of cooperation. He claimed that the Western partners' input would be limited to technology, and implied that the ownership ratio would be 51-49, with the Hungarians holding the controlling interest.

Aside from Yugoslavia, Hungary has long been the Eastern European leader in joint ventures, but heretofore has not followed the Yugoslav example in allowing Western firms to own stock and operate business ventures within its jurisdiction. It is not yet clear how closely the Hungarian rules on joint companies will follow the Yugoslav example.

For the Hungarians, a main advantage of joint companies would be their importance as a source of increased exports, an area of great interest within the Hungarian economic picture. The move is not without its political liabilities, however, because it allows, at least symbolically, an increased Western presence in the country, something which has spurred criticism from Moscow in the recent past. In view of recent Soviet-Hungarian economic differences, it seems most likely that this latest move was cleared with Moscow.

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Student Trial Ends

The four highly popular former student leaders at Zagreb University have been sentenced to prison terms ranging from one to four years for their part in last December's political upheavals.

Not even sensational Western press coverage could hide some of the comic opera qualities of the court room proceedings.

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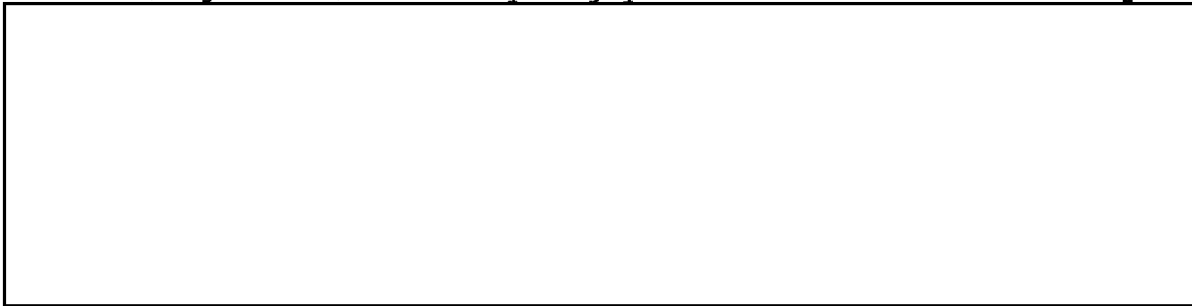
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Following contradictory testimony from key witnesses, the prosecutions's most damning evidence was that the defendants were guilty of singing "we don't drink wine, we drink the blood of Serbs." The prosecution's failure to produce evidence that the defendants were in league with hostile elements abroad to undermine the socialist order has had a disquieting effect on the public in Croatia.

The student body at Zagreb University is already in a nasty mood following recent price increases for dormitory rooms and meals. The sentencing of these four to relatively harsh prison terms without producing conclusive evidence, may further agitate an already angry and restless student body.

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